



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

RELOCATION ASSISTANCE ADVISORY BULLETIN

SUBJECT: Self-Moves of Displaced Businesses
DATE: Effective July 1, 1998
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1. Background

The Massachusetts Relocation Assistance Regulations, 760 CMR 27.00, promulgated by the Massachusetts Department of Housing and Community Development pursuant to MGL Chapter 79A, have recently been revised. 760 CMR 27.05(5) of these regulations require the Bureau of Relocation to issue guidelines establishing a process for self-moves of displaced businesses. This addresses the same subject set forth in 760 CMR 27.09(17) of the former state relocation assistance regulations and 49 CFR 24.303(c) of the corresponding current federal regulations. The purpose of this Advisory Bulletin is to establish official guidelines regarding self-moves of displaced businesses.

2. General

The term "self-move", as used in matters pertaining to relocation assistance, describes a generally accepted procedure for determining reasonable move expenses to be incurred by displaced businesses. Also referred to as "negotiated self-moves without documentation", the self-move process allows displaced businesses and displacing agencies to determine the cost of the move, including disconnection and reconnection expenses, in advance of the commencement of the move.

Self-move agreements enable displaced businesses and displacing agencies to plan and execute timely and successful commercial moves because the primary relocation expenses are pre-determined and mutually agreeable. Because they are negotiated settlements, self-moves require a considerable amount of advanced preparation and cooperation between the displacing agency and the displaced business.

3. Applicability

- a. Self-moves may be applied only to displaced businesses that will file relocation claims for actual

and reasonable move expenses. Self-moves are not applicable to businesses seeking their entire relocation payment under the "actual direct loss of property" provision (as described in 49 CFR 24.303(a)(10)) or the "fixed payments for moving" provision (as described in 49 CFR 24.305).

- b. Self-move agreements may be made for relocation expenses described in 49 CFR 24.303(a)(1), (2) and (3). Specifically, these cover the costs for transporting personal property, packing and unpacking personal property, and disconnection and reconnection of personal property, respectively. All other move costs, including substitute equipment (49 CFR 24.303(a)(12)), may not be included as part of a self-move agreement.

4. Notification by the Displaced Business

At the time notice of eligibility of relocation assistance is sent to a displaced business as provided under 760 CMR 27.04(l)(b), an explanation of self-moves should be provided to the business. Displaced businesses must notify the displacing agency in writing if they intend to enter into self-move agreements. The displacing agency may refuse to consider notifications only in cases where the notification is provided after the displaced business has commenced its move, including contractual work necessary for the reinstallation of equipment to be moved.

5. Documentation Needed for Self-Moves

If a self-move agreement has been executed, it is not necessary for displaced businesses to document the actual expenses incurred for relocation expenses provided under 49 CFR 24.303(a)(1), (2), and (3). However, the following documentation is needed in order to effect a self-move:

- a. A certified personal property inventory.
- b. Move specifications based upon the actual replacement location.
- c. Estimates from movers and contractors based upon approved move specifications.
- d. Verification of estimates by the displacing agency.
- e. A signed self-move agreement.
- f. Claim form for actual and reasonable moving expenses.

6. Procedures

a. Personal Property Inventory

- (i) An inventory of personal property to be included as part of the self-move agreement should be obtained pursuant to the personal property inventory advisory bulletin.
- (ii) The inventory must be certified as true and accurate by both the displaced business and the displacing agency.
- (iii) It is the responsibility of the displacing agency to cross check the personal property inventory against the real/personal property report to verify that items included on the personal property inventory were not purchased by the displacing agency as part of the real estate acquisition prior to certifying the personal property inventory.

b. Move Specifications

- (i) Move specifications must be obtained in the manner proscribed in the advisory bulletin covering move specifications.
- (ii) In cases of self-move agreements, only those items included on the personal property inventory that will be considered as relocation expenses under 49 CFR 24.303(a)(1), (2), and (3) are to be included as part of the move specifications. Any items of personal property that are to be substituted or liquidated may not be included as part of the move specifications for self-move agreements.
- (iii) Move specifications must be based upon the actual replacement location to which the displaced business intends to move. Move specifications, and any move estimates based upon the move specifications, are not considered effective unless they are first approved by the displacing agency.

c. Move Estimates

- (i) Move estimates may be obtained by the displaced business only after the displacing agency has reviewed and approved the move specifications.
- (ii) In cases of self-moves, the displacing agency should instruct the displaced business to obtain move estimates from at least two bona fide commercial movers selected by the displaced business. The displaced business must provide these commercial movers with the approved move specifications covering move services. The estimates supplied by commercial movers must be based upon the approved move specification covering expenses described in 49 CFR 24.303(a)(1) and (2).
- (iii) If the displaced business is seeking to include contractual costs associated with disconnection and reconnection expenses set forth in 49 CFR 24.303(a)(3) as part of the self-move, then move estimates for contractual expenses should also be obtained. In such cases, the displaced business must request estimates from either two bona fide general contractors or tradesmen capable of performing the required work, as set forth in the move specifications, for disconnection and reconnection expenses. Such estimates must be based upon the scope of work described in the move specification approved by the displacing agency.

- (iv) Selection of movers, general contractors and tradesmen to provide estimates is the sole responsibility of the displaced business. The displacing agency may not recommend or refer any movers, general contractors, or tradesmen to the displaced business for such purposes.
- (v) The displaced business must submit all move estimates to the displacing agency no later than 30 days before the start of the move or the commencement of any disconnection/reconnection contractual work covered by the move specifications.

d. Verification of Estimates

- (i) It is the obligation of the displacing agency to review and verify the estimates obtained by the displaced business in a timely manner.
- (ii) In undertaking its review of estimates, the displacing agency must check that the estimates are based upon the scope of work outlined in the approved move specifications, all parties providing estimates are deemed capable to provide such estimates, and the costs included in the estimates are reasonable.
- (iii) When verifying estimates, the displacing agency should employ independent experts in commercial moves and contractual cost estimating who have no interest in performing the services sought by the displaced business.
- (iv) Verification of estimates must describe any instance where the estimates obtained by the displaced business appear to be unreasonable, inflated or inconsistent with the scope of work set forth in the move specifications. In such cases, the commercial movers and/or contractual cost estimators must submit to the displacing agency their opinion of the reasonable cost to perform the services described in the move specifications.

e. Negotiating and Executing a Self-Move Agreement

- (i) After the displacing agency has completed its verification of move estimates, it may execute a self-move agreement with the displaced business.
- (ii) A sample self-move agreement is attached to this advisory bulletin. In no instance may the total amount of the self-move agreement exceed the lowest responsible estimate(s) obtained by the displaced business.
- (iii) Move estimates included on the self-move agreement must not include contractual overhead and profit. If the estimates do not include a separate amount for overhead and profit, then the displacing agency shall deduct 15% of the total estimate for overhead and profit from any contractual estimates obtained by the displaced business.
- (iv) At a minimum, the self-move agreement must include the names of the displaced business and displacing agency, reference the personal property inventory, move specifications, and estimates, and a total amount agreed to by the displaced business and the displacing agency for

the total amount to be paid by the displacing agency to the displaced business for relocation expenses described in 49 CFR 24.303(a)(1), (2), and (3).

- (v) The self-move agreement must also include conditions, terms or limitations on the payment as deemed reasonable by the displacing agency and agreeable by the displaced business.
- (vi) In the event that during the verification of estimates as described in paragraph 6(d) of this bulletin there is a variance between the amount of the lowest estimates obtained by the displaced business and the opinion of the cost estimators employed by the displacing agency, the displaced business and displacing agency should conduct a meeting with appropriate estimators to resolve any disputes and determine a mutually agreeable cost that meets the requirements of the move specifications.
- (vii) If a self-move agreement cannot be executed, refer to paragraph 8 of this bulletin.

f. Post-Move Verification

Upon completion of the displaced business' move and contractual work necessary for the reinstallation of relocated equipment, the displacing agency must verify that all work was completed pursuant to the move specifications. In the event that the work was not performed as described in the move specifications, then the displacing agency may either reduce the amount included in the self-move agreement to reflect the work not performed or require the displaced business to perform the work as described in the move specifications.

7. Submission of Claim Forms

Displaced businesses that have entered into self-move agreements with displacing agencies must file appropriate claim forms before they are paid for relocation expenses, including those covered in the self-move agreement. The self-move agreement does not release the displaced business from its obligation to file a relocation claim.

8. Alternatives to Self-Moves

In the event that the displaced business and the displacing agency cannot execute a self-move agreement, then any expenses provided under 49 CFR 24.303(a)(1), (2) and (3) and claimed by the displaced business must be documented for the actual costs incurred.